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United States Senate
SELECT COMMITTEE ON INTELLIGENCE
(PURSUANT TO S. RES. 400, 94TH CONGRESS)
WASHINGTON, D.C. 20510

SENSITIVE

September 29, 1976

IN REPLY PLEASE
REFER TO R#4645
Andrew.

SSCI
77-0087

The Honorable George Bush
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Bush:

On September 22 Mr. William Miller requested, on behalf of the Committee, information from the CIA on the recent assassination of former Chilean Ambassador Orlando Letelier. I am grateful to you for the briefing you gave when you met with Senator Baker and myself on September 27. The Select Committee would like to request the following information:

1. There have been reports (see attached article entitled "Chilean Bomb Victim Told FBI of Threats to Life, Friends Say") that Letelier was recently discussed at a high-level policy meeting within the Chilean government. Does the Agency have any information related to this meeting or others in which Letelier was discussed? [redacted] 3.5(c)

2. [redacted] 3.3(b)(1)

3. Attached is an article by Mr. Robert Moss entitled "The Tribulation of Chile." It appeared in the October 10th issue of the

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National Review. Please note pages 1110 to 1112. Would the Agency please comment on the accuracy of Mr. Moss' observations.

4. Does the Agency have any information on the alleged disembarkment of a Chilean secret policeman in New York on August 25 (see attached article entitled "FBI Agents Investigating Letelier Killing Get Tip High Chilean Secret Policeman Flew to U.S. Last Month")?

5. Does the Agency have any information related to the assassination of Chilean General Carlos Prats Gonzalez and the shooting last October of Chilean Christian Democrat Bernardo Leighton in Rome?

6. Does the Agency have any information related to Chilean MIR (Movement of the Revolutionary Left) activities in the United States, especially as those activities may relate to the Letelier murder?

7. [redacted] 3.3(b)(1)

Thank you very much for your assistance in this matter.

Sincerely,

Daniel Inouye
Chairman

Attachments 3

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The Washington Post

September 23, 1976

Chilean Bomb Victim Told FBI Of Threats to Life, Friends Say

By Stephen J. Lynton and Ronald Kessler
Washington Post Staff Writers

Orlando Letelier, former Chilean ambassador to the United States for the Marxist Allende government, told his friends and coworkers that he had received repeated threats against his life before he was killed here Tuesday by a bomb in his car.

Anonymous callers, some speaking in Spanish, had continually warned him for more than a year that he would be killed unless he stopped criticizing the military junta that ousted the late President Salvador Allende Sept. 11, 1973 Letelier's colleagues said yesterday.

Last week, Letelier received a letter from a well placed Chilean, his coworkers said. The letter allegedly reported a high-level discussion in the present Chilean government over whether Letelier should be killed because of his outspoken criticisms of the current regime in Chile.

The government in Chile has disavowed any link with Letelier's death and has deplored the bombing.

Letelier, 44, who served as Allende's foreign minister and minister of defense in 1973 after his tenure as ambassador to the United States, was killed when a bomb exploded underneath his car as he drove to work through Sheridan Circle NW Tuesday morning with two colleagues, Ronni and Michael Moffitt. Ronni Moffitt was also killed. Her husband was hospitalized briefly for shock.

All three worked for the Institute for Policy Studies, a private research "think tank," where Letelier directed a foreign affairs research program.

Lilian S. Montecino, Letelier's assistant, said in an interview yesterday that he had told her of receiving threats against his life about twice a month. "It usually came at odd hours (at his office) or at home," she said. The message, in essence, she added, was that if he continued his activities against the present junta of Gen. Augusto Pinochet, Letelier would be killed or "eliminated."

Paul Weiss, charman of the Institute for Policy Studies, recalled that Letelier last April had told him three or four times of warnings by callers who said, "We're going to get you."

James Petras, a political scientist at the State University of New York, recounted a conversation with Letelier last April. Letelier said, according to this account, that he had been warned by the Chilean Embassy itself that he would face what Petras described as "unforeseen difficulties" if he continued his attacks on the junta.

The existence of the letter in which Letelier was allegedly alerted to a Chilean government debate over whether he should be assassinated was disclosed by Eqbal Ahmed and other coworkers at the Institute for Policy Studies. They did not produce the letter itself, however.

Ahmed and other institute officials, who asked not to be identified, also declined to name the Chilean who wrote the letter, saying they wanted to avoid endangering him. The letter was said to have recounted a debate between Chilean "hawks" who wanted Letelier killed, and "doves" who objected to his suggested assassination.

It was unclear yesterday whether Letelier had reported the recurring threats against him to the FBI or sought FBI protection. A spokesman for the FBI's Washington field office, which is taking part in the investigation of his death, denied that Letelier had told the FBI of any such threats.

Mrs. Montecino said, however, that Letelier had told her he had reported the warnings to the FBI. In Rome yesterday, Agence France-Presse quoted Hortensia Allende, the former Chilean president's widow, as saying Letelier had repeatedly requested FBI protection.

According to Mrs. Montecino, Letelier had said FBI agents visited him regularly and were notified when he changed his residence. "The FBI told him if anything unusual happened to report it to the FBI," she said.

But Mrs. Montecino and others noted that Letelier did not take any special security precautions himself. "He felt, 'If I'm going to be afraid of anything, I won't do a thing,'" she said.

Rafael Otero, counselor for public affairs at the Chilean Embassy, said in an interview yesterday that no one from the embassy had been questioned by either the FBI or the District police about the bombing.

Otero said that the Chilean ambassador to the United States, Manuel Trucco, had contacted the State Department to offer "full cooperation" in the investigation. "We're very interested in going on with this investigation because this is the worst thing that could happen to my country at this moment," Otero said.

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Otero suggested that Letelier's murder, and those of other Chilean exiles in other countries that preceded it, have come in the fall and were timed to coincide with the opening of the United Nations General Assembly session.

"We are asking to help. It's the first opportunity to find out who is making this attack against the Chilean people," Otero said.

When asked about reports of threats made here and reportedly in Chile against Letelier, Otero referred to the lifting of Letelier's Chilean citizenship on Sept. 10 by the current government. Otero said that the "Chilean government doesn't need other means" beyond revoking a person's citizenship.

Otero, a short, stout man, was calm during much of the interview until informed that he was being widely described by Chilean exiles and leftists in Washington as being the representative of the National Directorate of Intelligence (DINA), the most important secret police agency in Chile.

Hearing this, Otero responded with laughter and said that this report was "very funny." Otero denied having any role in DINA. The reports, he said, were a way "for the extreme left to point the finger" at him, and he said he would report the information to the U.S. State Department today since he took it as a threat against him.

Otero also raised and denied reports that he was affiliated with the CIA in Chile. Describing himself as a journalist, Otero said he had published SEPA, an anti-Allende magazine, and that he had been imprisoned 28 times "during Allende."

Otero raised the question as to why the explosion of Letelier's car occurred within 100 feet of the Chilean ambassador's residence at 2305 Massachusetts Ave. NW.

At several points during the interview, Otero repeated his assertion that the Chilean government had not had anything to do with Letelier's murder. "We know we don't have anything to do with this murder," Otero said. "We know . . . It's the worst thing that can happen."

City police and FBI officials reported no significant developments yesterday in their investigation of the bombing. "This is not going to be easily solved," said Assistant U.S. Attorney Eugene Propper, who is coordinating the investigation. Results of laboratory studies of evidence collected after the explosion will not be available for a week or more, he said.

Sources close to the investigation previously said the blast appeared to have been caused by a skillfully constructed plastic bomb that was shaped to concentrate the main impact of the explosion upward into the driver's seat. The bomb was apparently attached to the car's undercarriage, these sources said, and may have been set off by a remote-controlled radio device.

Propper met for about 1½ hours yesterday with D.C. police and FBI officials involved in the investigation. Investigators, he said, are interviewing and reinterviewing witnesses, making checks on airports and railroad stations, and compiling a list of recent visitors to the United States from Chile.

A memorial service for Letelier has been planned for 3 p.m. Sunday at St. Matthew's Cathedral, 1725 Rhode Island Ave. NW. It will be preceeded by a protest march, beginning at 12:30 p.m. at Sheridan Circle, according to the Institute for Policy Studies. Letelier will be buried in Venezuela, a relative said yesterday.

Yesterday afternoon, several hundred demonstrators gathered in Dupont Circle to protest the deaths of Letelier and Mrs. Moffitt, which they blamed on the Chilean government. The demonstrators, who chanted and carried signs, stayed for about 1½ hours.

In Congress yesterday, Letelier's death set off several controversies. Rep. Toby Moffett (D-Conn.) was thwarted in an attempt to introduce by unanimous consent a resolution, with 135 cosponsors, condemning Letelier's killing. It was blocked by objections from Rep. John M. Ashbrook (R-Ohio).

Later Rep. Donald M. Fraser (D-Minn.), chairman of the House Subcommittee on International Organizations, issued a statement charging that the FBI had failed to investigate information supplied by his Subcommittee about the alleged arrival in the United States in August of a suspected Chilean intelligence agent. An FBI spokesman termed Fraser's statement "unfair." He said the FBI was trying to reach the man who had supplied Fraser's Subcommittee with the information.

Also contributing to this article were Washington Post staff writers Lawrence Meyer and Joe Ritchie.

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LETTER FROM CHILE

The Tribulation of Chile

ROBERT MOSS

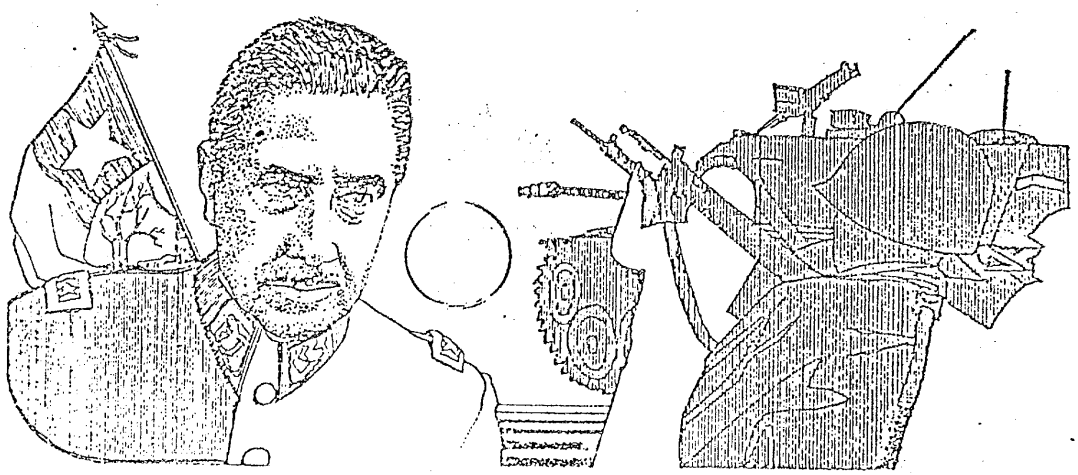
IT WAS A BIT boy scoutish of them, but the soldiers who overthrew Salvador Allende thought that they had earned the gratitude of the American people, and of the West in general. For one thing, they had prevented the transformation of Chile into a sort of Latin American Czechoslovakia, complete with Soviet bases. For another, they were staunch believers in the market economy and the positive role of foreign investment. They set about denationalizing foreign businesses that had been confiscated under Allende, and agreed to pay handsome compensation to American copper companies that had been taken over —more, in the case of Cerro, than the book value that the corporation itself had placed on its Chilean assets! If this didn't make the Chile of the generals a pro-Western country, deserving of friendly support (even if not the miniature Marshall Aid program needed to repair the economic havoc wrought by three years of Marxist misrule) what would?

Alas, how little these soldiers understood the mood of the times in Washington or London. With the spirit of Helsinki about, it is not done to attack Communists too stridently. Since the intellectual defense of capitalism has become a minority cause in most of the countries that owe their present affluence to it, these disciples of Adam Smith and Milton Friedman were a positive embarrassment. Chile, after all, is a backward, developing country, and the liberal Establishment has been telling us for decades that the only appropriate economic strategy for such places is the smash-and-grab redistributionism propounded by such bodies as the UN Economic Commission for Latin America. Anyway, the soft-core masochism of the liberal Establishment has now reached such extremities that any outsider who fails to gratify its need for an endless recital of the crimes and horrors perpetrated by the West is immediately dismissed as a fascist beast. Aid, from this perspective, is an act of expiation: you give it to people who tell you that you have wronged them and that they have a right to squeeze you for every penny they can get. It is not something that you give to people who tell you that they admire you, not for what you are but for what you were and might have been, if you had been able to sustain a more assertive faith in your own values and traditions.

What was totally unforgivable about General Augusto Pinochet Ugarte and his colleagues, in this context, is that they were pro-American. Such presumption had to be punished. "*We* choose *our* friends," came the shrill rebuke from Capitol Hill. "Our friends do *not* choose us."

And how could Chile fail to be an unpopular cause in America, since the coup against Allende was linked, in the public psyche, with the Watergate era, with disaster in Vietnam, with CIA dirty tricks, and with hanky-panky by ITT?

Since the myth that General Pinochet was an invention of Richard Nixon and the CIA befuddles the view like a pea-soup fog whenever the topic of Chile comes up, I had better dispose of it swiftly. I have described the antecedents of the coup in detail elsewhere. It is enough here to make two basic points. First: of course it is true that the CIA was involved in Chile; it had not yet been reduced to a press-cuttings agency. It is also true that people up at the



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White House were working out contingency plans. But if the CIA had really been able to engineer the fall of Allende for $8 million—a pittance even compared with what it spent in Chile in the 1960s supporting Christian Democrats and left-wing priests—it would have secured the sale of the century. What it mainly did was to keep alive some of the chief constraints on a would-be totalitarian government, such as a free press and independent trade unions. Second: the coup was merely the sharp cutting edge of a broad-based, and essentially-home-grown, *counterrevolution* which bore a resemblance, in some respects, to the current popular upheavals against the pro-Communist regime in Portugal. The junta has subsequently isolated itself from some of its original civilian supporters, but there is no doubt that it was welcomed by a majority of the Chilean population on September 11, 1973. That this simple fact has been successfully camouflaged in much of the reporting then and since is a tribute a) to the lavishly financed and brilliantly conceived Marxist propaganda campaign that has been waged against Chile, and b) to the amazingly insular approach of modish American commentators, who write as if nobody but the CIA is capable of setting up a right-wing regime.

Remember the appalling legacy of the Allende regime which had destroyed faith in the constitution and the party system and made political violence a way of life in Chile

Oh yes, the junta has not served its own image well by its treatment of political dissidents or its unapologetic decision not to return—in any determinate future—to the democratic system. There are serious charges for the junta to answer on human rights, and on the abuse of power by its own security services, and I do not intend to gloss over it. But it is useful at this stage to make one simple observation about the way that this relates to the junta's image abroad. If the military regime in Chile, following the example of all self-respecting Communist revolutionaries, had flatly decided to shut out all foreign reporters, civil rights investigators, and sundry do-gooders for a period of, say, six months after the coup, our diet of horror stories from Chile would have been meager indeed. It is to the credit of the junta that (unlike the new masters of Cambodia and South Vietnam, and unlike Mrs. Gandhi) it has not imposed a blackout of this kind. Almost everyone has attacked Pinochet for refusing to admit a UN Human Rights Commission in July and this decision would indeed appear, in its context, to have been a major diplomatic error. But are the editorial writers of the *Washington Post* or the *New York Times* demanding that the UN should send similar commissions to Cambodia, South Vietnam, and India, and, if not, why not?

The sad fact is that it is neither the *quantity* of the repression in Chile nor the junta's treatment of its foreign critics that is the real source of the selective outrage that finds a focus in Pinochet. It is that the junta, being right wing and open to some forms of Western influence, is preeminently get-at-able. If a country goes Communist, the consensus among our press crusaders and "concerned" academics appears to be, the case is closed. Their logic runs as follows: The new lords of "Ho Chi Minh City" won't let us visit their "re-education" centers. But even if it is true that dire things go on there, you can't make an omelette without breaking eggs—and who are we, from the guilt-ridden West, to question the morality of an Asian revolution?

WELL, WE KNOW by now how these double standards work. If I were to write, by way of apology for some of the mistakes or excesses that have been committed in the new Chile, that you can't make an omelette without breaking eggs, many people would be delighted to put my head on a pike. Remember that it is far harder—and takes far longer—to rebuild than to destroy. Remember the appalling legacy of the Allende regime which, by systematically violating the laws, had destroyed faith in the constitution and the party system and made political violence a way of life in Chile. You can't wish away an historical experience as shattering as that, and revert to some milder age of democratic politics predating the holocaust. Even if you could, it would probably be impossible to produce a democratic government in Chile at this stage with the guts, and the popular backing, to sustain the current program of economic reconstruction which is at last beginning to bring inflation under control—but at the cost of a bitter recession, bringing in train considerable social suffering.

A military junta is not, and can never be, a *permanent* form of government, in a country as sophisticated and politically-minded as Chile. But it is my contention that military rule is, inescapably, a necessary *transitional* phase in Chile, and that its harshness and duration are likely to be increased, rather than diminished, by American congressmen and others who wave big sticks from afar instead of offering constructive advice based on the realities of the situation. Phrases like "invisible blockage" or "destabilization" that were used by liberals to describe past American policy toward Allende might equally well be applied to current American policy toward Pinochet. An old friend, a senior man in the Chilean navy, astonished me during a recent visit when he exclaimed, apropos of the Turkish decision to take over most of the American bases, that "I wish that we had some American bases. If we could do what the Turks have done, Congress might begin to understand that if you kick your friends around for long enough, you won't have any left!"

His outburst was provoked, of course, by the congressional decision last year to block arms sales to Chile that were not negotiated before July 1, 1974 and to limit economic aid for Chile to an annual $25 million. The U.S. arms embargo means that the Chileans cannot even get ammunition and spare parts for their American-made weapons, although a dozen F-5 fighter planes are still in the pipeline, with delivery expected to commence next March. The embargo hurts more than it would have anyway since Congress, in its wisdom, did not decide to stop arms sales to Peru simultaneously.

Mr. Moss is the editor of The (London) Economist's Foreign Report *and the author of* Chile's Marxist Experiment *and* The War of the Cities.

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Consider, for a moment, the supposed morality of the Chilean arms embargo. It seems to me that there are only two irreproachable reasons for refusing to sell weapons to someone. The first is that he may one day attack you. This is unlikely to be the case with Chile, unless you think that the Chilean navy—stung beyond forbearance—might one day send a Botilla steaming north to shell Teddy Kennedy's summer retreat. Second, you may not want to sell arms to your friend's enemy—although there will be cases (as with Greece and Turkey, or Egypt and Israel) where both parties to a regional conflict may be regarded as "friends." Now who is Chile likely to attack that could be regarded as a friend of the United States? Since Pinochet's recent bout of shrewd diplomacy with President Banzer of Bolivia, there is only one country in Latin America with which Chile is likely to go to war in any predictable future, and that is Peru. Peru may not be as wholly committed to the Russians as is commonly supposed, but it has received more than 300 Soviet tanks, together with Communist instructors and other assorted Communist weaponry (see below). If there is to be another "War of the Pacific," it is likely to be Peru that strikes first. We may wake up a few months from now to find that Congress' arms policy toward Chile has left it partly disarmed in the face of an attack by possibly the most important Soviet protégé on the Latin American mainland. This is all the more likely to happen if the Soviet bloc succeeds in its plot to have Chile suspended by the credentials committee of the UN General Assembly in its current session, thus adding to Chile's international isolation.

What really concerns the Peruvians is a secret accord between Chile and Bolivia whose eventual effect will be to supply the Bolivians with their long-desired corridor to the sea—through territory in northern Chile that is still claimed by Peru. As a first step, Bolivian soldiers are being allowed to supervise the transport of Bolivian imports via the Atacama-La Paz railroad. As a later step, General Pinochet is said to have agreed to build a new port north of Iquique for exclusive Bolivian use. A very minor, but revealing, indication of the new Chilean-Bolivian entente was the excision from the recent second edition of General Pinochet's book *Geopolitics* (written when he was a staff instructor) of certain unflattering references to Bolivia's past territorial claims on Chile.

These developments hardly delight the Peruvians, who are clinging to their own century-old claim to Chile's nitrate-rich northern provinces. The Peruvians are also bound to think hard about the fact that they have been presented with an opportunity that is unlikely to be repeated. In a year or so, Chile is likely to have recovered from the worst of its current economic troubles and to have taken delivery of those F-5s, badly needed to match Peru's Mirage fighters. But, for the moment, the Peruvians enjoy a 6 to 1 superiority in ground weaponry and a more than 2 to 1 superiority in aircraft. Are we really to believe that those tanks are just for decoration?

The Russians have been Peru's biggest benefactors. According to an authoritative secret list to which I have had access, the Peruvian army has taken delivery of 350 Soviet-made T-54 and T-55 tanks, seven Czech-built 122mm field guns, 200 Yugoslav-made 105mm mortars, 50,000 Kalachnikov rifles, two batteries of SAM-3 and SAM-6 missiles, and an unknown quantity of SAM-2 and SAM-7 missiles. The Russians have also begun delivery of a consignment of thirty MI-8 helicopters.

Unlike the Chileans, the Peruvians have no difficulty shopping around. Uncle Sam appears to be less scrupulous about selling hardware to a proto-Communist dictatorship than to an anti-Communist one. The Peruvians have taken delivery of eight of a consignment of 36 A-37-B planes, two (of four) "Guppy" class submarines, 84 (of 150) APC-113 armored cars, three (of nine) Grumman Tracker planes. They have also been negotiating the purchase of up to 16 F-5 fighter planes and one hundred tank transport vehicles capable of operating in the kind of mountain country characteristic of eastern Chile. It is hardly surprising that the Chilean military are somewhat embittered by this sales list. I have gone into some detail, because I think that a full explanation of why American arms policy has been "business as usual" in relation to Peru, but not in relation to Chile, is the least that the Administration—and the U.S. Congress—owes to the government in Santiago.

I used that dubious phrase "invisible blockade." Well, it is a pretty visible blockade in the case of the arms sales—not to mention the fact that Chilean officers are no longer permitted to attend training courses in American defense institutions. That is another minor stroke of genius. Some congressional staffers think that the Chilean military are "gorillas," and that they should be cut off from the educational influences of the outside world. The Ford Foundation and some American universities seem to reason the same way. The Ford Foundation has decided to end grants to anyone working inside Chile (much to the chagrin of left-wing Christian Democrats as well as conservative academics) and confine its support to Chilean exiles. The University of California has severed its links with the University of Chile. Isn't it funny how the left liberals who promote "convergence" theories in relation to the Communist world—i.e., Let's see more of them and they'll become more like

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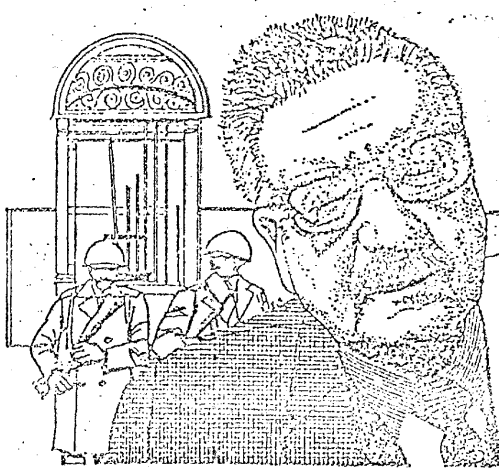
us—say just the opposite when it comes to dealing with a right-wing country?

There has, of course, been no economic blockade of the junta, but American aid and credits have hardly been magnanimous—certainly not by comparison with what the Soviet bloc did for Allende. All in all, U.S. aid and credits to the junta during its first two years probably total some $300 million, less than half what the Warsaw Pact countries doled out to Allende over his three years in office. And there have been a few snags along the way. Robert McNamara at the World Bank (a very busy man who is said to find time to meet weekly with a group of Chilean exiles) has been particularly reluctant to sanction credits for the junta.

ONE LAST WORD about the American role in Chile. It seems to be a long-standing convention with the State Department that Our Man in Santiago should be temperamentally incompatible with the government to which he is accredited. Allende had to reckon with the shrewd conservative Nathaniel Davis; the junta has to contend with the liberal David Popper, whose past contretemps with Senator Joe McCarthy—and the fuss that was made about it at the time of his appointment—did not exactly help him to find his feet on the rather Manichean terrain of present-day Chile. His relations with the junta are notoriously frigid, and are not improved by the fact that the close liaison between his political staff and left-wing Christian Democrats is an open secret. The military seem to believe, rightly or wrongly, that the project of the U.S. Embassy—or at least an element within it—is to engineer the return to power of the Christian Democrats, "the American party," at the earliest possible opportunity. Many of the blunders committed in Chile might have been averted if the Americans—and some of the West Europeans—had made a more sustained attempt to offer practical guidance rather than try to resuscitate a long-lost past.

This much by way of introduction. The present condition of Chile, a country which I have grown to love and to which I feel a strong personal commitment, depresses me in many respects, and I am not going to pull any punches in describing where things have gone wrong, and where they need to be changed. But the attempt to isolate Chile from outside aid and support, which will be pushed further at the UN this fall, can only—if successful—make conditions in Chile worse. To the extent that the United States is seen to be floating along with such a policy, it risks driving Chile into that ever-growing, stridently nationalistic lobby of nations for which terms like "right-wing" or "left-wing" become irrelevant.

Pinochet is called a "fascist" not because he puts people in jail without trial, but because his government is anti-Communist and supports private enterprise. Velasco was *not* called a "fascist," because he made anti-American and anti-capitalist speeches and was on good terms with the Russians. There is an easy, if unpalatable, option for the Chilean generals if, in the long run, the West fails them, and that is to catapult over to a Peruvian-style "national socialism" that would not greatly respect human rights and democratic principles but could count on Third World approval. I shall return to this scenario in discussing the long-range political alternatives for Chile; it is one that desk-



bound diplomats who seem to imagine that outside pressu can induce a riven society to revert to its former syste overnight would do well to study.

I must now home in at once on the focus of most pe ple's concern about Chile: the human rights question ar the methods of the security services. Chile is still almo laughab'y *unlike* a police state in some respects. Take th recent visit of Victor Louis, the mysterious Moscow-base journalist who always seems to know what the KGB wan to be known. Victor Louis turned up the other day at th office of a senior official in the Foreign Ministry in San tiago, which squats back-to-back with the burned-out she of La Moneda, where Allende met his death. The officia who knew Louis' reputation well, was amazed by his ap pearance.

"How did you get a visa?" he asked.

"Oh, I didn't need one. I just walked out of the airpo on a transit card."

"How did you get into this building?"

"I showed the guard my international driving license."

"How did you find my office?"

"Oh, your name is well-known in Moscow. I just aske a man in the corridor to show me the way."

I HAVE NO doubt that the story, recounted to me by th official involved, is factual, and it hardly conjures up a image of the new Chile as a scene from *1984*. The follow up was equally revealing. After much bureaucratic confu sion, Louis was permitted to fulfill his real mission, whic was to interview the Chilean Communist leader, Luis Cor valan, in jail and discuss terms for his possible release.

The Victor Louis anecdote suggests, apart from any thing else, the amateur, provisional way that many thing have been done in Chile since September 1973. Two year is a brief space of time in which to expect men who ha spent most of their adult lives preparing for routine mili tary maneuvers to learn how to be statesmen, economists— or intelligence officers. The ramshackle structure of th Chilean security services reflects this. The junta started ou with only the regular military intelligence services—of th army (DINE), navy (SNA), air force (SIFA), and o

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the paramilitary Carabineros (SICA). Last year, a new National Intelligence Directorate (DINA) was formally constituted, with Colonel Manuel Contreras ("El Marino"), a confidant of General Pinochet, as its chief. Since then, the day-to-day control of DINA, the precise definition of its functions, and the alleged excesses of some of its agents have become the topics for an intense debate within the armed forces as well as within the country as a whole.

Since the workings of DINA remain a mystery to most outsiders, it may be well to say a little about how it is organized. At the outset, it was purely an army operation, and the bulk of its 2,000-odd military personnel are army men; only four full-time operatives come from the air force, for example, though one of them is number three in the hierarchy, responsible for counter-intelligence. DINA also employs a civilian staff that has now also reached about 2,000 (including 18 economists, in a special section responsible for reporting on the likely effects of new economic measures); its network of informers is said to be about eight times as large.

It was unclear from the beginning whether DINA was to function as a parallel security service, or as a headquarters which would monitor the activities of the regular services. Inter-service jealousies, and the special importance which the president assigns to DINA, have tended to make it an uneasy combination of the two.

Unlike the Chileans, the Peruvians have no difficulty shopping around. Uncle Sam appears to be less scrupulous about selling hardware to a proto-Communist dictatorship

We now enter the murky world of conflicting witnesses and unsubstantiated facts. It would appear, from a large body of circumstantial evidence, that DINA's main priorities have been the following, in order of immediacy:

1. To destroy the MIR (Movement of the Revolutionary Left).

2. To prevent the Christian Democratic Party (supposedly "in recess") from reorganizing as an effective political force.

3. To destroy the clandestine networks of the Communist Party.

I stress the *order* of priorities, because it has naturally been a sore point with many that a significant number of Christian Democratic organizers have been arrested while—in the admission of even the highest authorities—the structures of the Communist Party remain "virtually intact."

DINA, and the security services in general, have clearly succeeded in their first goal. The leader of the MIR, Miguel Enríquez, was killed in a gun battle last October. A young man called Sotomayor who was expected to succeed him chickened out and was expelled from the Movement; an apologetic letter from him appeared in an issue of the clandestine *El Rebelde* in April. (The current leader is thought to be Allende's nephew, Andrés Pascal Allende.) A number of ex-*miristas* have appeared on Chilean television to appeal to their comrades to turn themselves in. A considerably larger number have joined the ranks of DINA's full-time agents or regular informers. With the help of the Argentine security services, DINA has been successful in following the activities of *miristas* in Buenos Aires and in intercepting much of the money and arms that the Argentine Trotskyist terrorist group, the ERP, has tried to smuggle into Chile. (The money has been used, ironically, to supplement DINA's contingency funds.)

The methods used against the MIR, however, have been none too delicate, and a great episode that might be described as "the case of the missing *miristas*" has drawn attention to them. Last July, a list of sixty young *miristas* was published in an obscure Buenos Aires magazine called *Lea*; they were said to have butchered each other in gang warfare in various places outside Chile, including Argentina, Colombia, Mexico, and France. Later that month, a similar list—of 59 *miristas* who had allegedly been killed in clashes with the Argentine security forces in Salta province—was published in an equally obscure publication called *O Dia*, described in the Chilean press as the "oldest journal of Curitiba, Brazil." No one could explain how these unheard-of magazines could have secured two complete, and accurate, lists of names (not just *noms de guerre* or partial names); and it subsequently transpired that *Lea* and *O Dia* were one-shot publications, presumably set up to float a story that would serve either as a coverup for killings *inside* Chile or as the first stage in a subtle disinformation exercise by someone who wanted to discredit the junta.

These suspicions were given substance by a confidential report put out by the *Comite para la Paz en Chile*, dated July 29. The committee is an ecumenical church group which concerns itself with the plight of political prisoners and tries to supply legal aid. It includes Marxists, and I cannot vouch for the authenticity of all its documentation. But its dossier on the case of the missing *miristas* is impressively detailed. It claims that 119 had been reported to the committee as having disappeared or been arrested *in* Chile between March 1974 and February 1975. It noted that, in 77 of the cases, witnesses had sworn under oath that they had been present when the arrests took place and that, in 115 of the cases, the families had lodged an appeal for habeas corpus before the appeals court. In four of the 119 cases, government officials were said to have formally acknowledged that an arrest had taken place.

What seems irrefutable—in the light of this dossier and of my own conversations with some of the families concerned—is that some, if not all, of the missing *miristas* vanished in Chile. My suspicion that subsequent newspaper reports may have been part of a clumsy attempt at a coverup were reinforced by the private doubts of a number of senior military men and government advisors. Several of them attribute the operation point-blank to the DINA. If it was a coverup, it could have the useful effect of bringing about the sacking of the officials responsible and a major restructuring of Chile's security services. Whether it was a coverup or a black propaganda job, two questions remain to be answered. What happened to the missing *miristas*, and where are the bodies? And: When is the junta going to subject its own security services to adequate legal and administrative curbs? I shall return to this second question in a moment.

But first: DINA and the Christian Democrats. Once the terrorist threat has been contained, the Christian Democratic Party (in the reasoning of sources close to Pinochet) is the

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prime political threat to the junta. It is a party that can be all things to all men: its left wing is open to infiltration and "colonization" by the Communists, while its right wing is a reassuring hold-all for conservative dissidents. A left-wing Christian Democrat like Bernardo Leighton can set himself up in Rome, with a staff of sixty Chilean exiles, to promote united front tactics; while party activists close to ex-President Eduardo Frei try to convert army generals in Santiago to the need for far-reaching changes within the new system. The upshot is that DINA has been harrying the Christian Democrats, trailing party organizers, fingering union activists, and reporting in its secret bulletins on party intrigues within the civil servce.

You don't have to swallow all those horror stories from Chile to realize the dangers of a situation in which the jurisdiction of the civil courts extends only to common criminals

Christian Democratic leaders, including former President Frei—a man of translucent honesty and humanity whom I respect greatly—are naturally embittered by the assault that is being made against their movement. They contributed, along with the conservative Right and the no-party men, to the overthrow of Allende, and they rightly feel that they have earned a place in the new system. One of the prime political blunders of the regime has been to fail to seek an accommodation with Frei, who has so far confined his protests to a reasoned critique of the economic program but could be driven to the kind of public outburst that would result in his departure from the country—like Karamanlis protesting the heavy hand of the Greek colonels. (Frei is being constantly pressed to do this by Cardinal Silva Henríquez, who was identified with the Left even in Allende's day.) But the most unsettling allegation made by the Christian Democrats is that, in their haste to clip the wings of the Party, DINA and its allies are being conned by the Communists. A leading Christian Democrat claims, for example, that of 242 party activists in the Chuquicamata copper mine, only 11 are left. The local Christian Democratic organization had been decimated as a result of accusations made by local Communists, *whose organization remained untouched.* This is a serious allegation, if true, especially when you recall the pitched battles that were fought between Christian Democrats and Communists in Allende's time.

It leads me on to that third, and apparently largely untouched, target: the Communist Party. One of the most disturbing moments for me, in my latest visit to Santiago, occurred when a very senior official admitted that his service did not know the names of all the members of the central committee of the Communist Party inside Chile. I will of course allow for the probability that a great deal more is known about what the Communists are up to than is admitted, even to such an unregenerate anti-Marxist as myself. But there is no question in my mind that, if the Christian Democrats control the most broad-based political movement in Chile, the (banned) Communist Party is by far the best organized and potentially dangerous. The kind of instructions that the Party sends out to its activists is illuminating. The advice is: Dress correctly, wear your hair short, work harder than everyone else in your office, arrive early, and leave late. The CD has its hatches battened down, and is determined to ride out the storm. The Communists are trying to move into the territory the Christian Democrats are losing in the trade unions as a result of recent arrests and sackings, while continuing to infiltrate the Christian Democratic Party itself. They appear to be operating an imaginative low-level espionage apparatus; for example, there was a recent Communist takeover inside the newsboys' union, the *Gremio de Suplementarios*, membership in which provides a perfect pretext for strolling into anyone's front yard. The Communist network inside the armed forces is thought to have been largely, but not wholly, cleaned out as a result of the thoroughgoing purges that followed the coup. But cells are still active, and recently a group of air force NCOs was photographed by the SIFA in a clandestine meeting with Communist leaders. The DINA, by all accounts, has still to test its teeth on the Communist Party.

There is no space here to examine all the recent accounts of repression in Chile. I would simply like to make three general observations. The first is that the total number of political prisoners and detainees in Chile is currently about 5,000—a high figure for a small country, but hardly spectacular by comparison with many other places. The second is that serious attempts have been made in some of the security services (notably the naval intelligence service, or SINA) to curb the sadists and torturers who habitually flourish in a legal vacuum. Military personnel have been sacked, and a number of officers are in jail on charges of manslaughter. I am certainly not claiming that the abuses have stopped, or that the internal disciplinary mechanisms are adequate guarantees of decent behavior. Third, the legal vacuum persists, within the framework of the state of siege that is still in force, and has brought with it a climate of generalized fear and mutual suspicion that hangs heavy over Santiago—a climate in which even very senior officers fear that their phones are tapped, their movements watched, and that the waiter in the private dining room may be a DINA spy. (I know of at least one case where a prominent general, well to the right of most people reading this magazine, found that this was actually the case.)

LET ME define the legal position, as it was explained to me by José-Maria Eyzaguirre, the new president of the supreme court, a deeply learned advocate of the rule of law who was one of the first to point a sharp, accusing finger at the unconstitutional behavior of the Allende regime. Under Article 74 of Chile's stern Military Code (which dates, in its present form, back to 1925) the commander-in-chief has absolute discretion, in time of war, to control the military courts. It is under this law that President Pinochet is empowered to order the imprisonment or indefinite detention of any Chilean citizen who is believed to be a security risk. However, under Article 86 of the Chilean constitution, the supreme court has the duty to supervise "all the courts in the nation" and some jurists—including Don José-Maria himself—maintain that this responsibility extends to the military courts. When the matter was put to a vote among the members of the supreme court, a majority decided to accept the present situation—a situation in which there are

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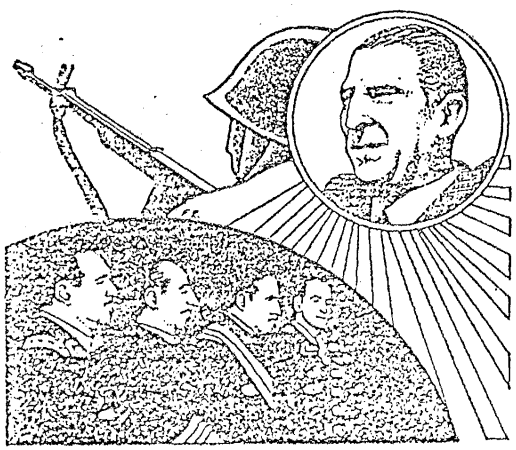
no effective legal safeguards against the abuse of executive power.

You don't have to swallow all those horror stories from Chile to realize the dangers of a situation in which the jurisdiction of the civil courts extends only to common criminals. There is a continuing internal security threat in Chile; on the admission of the security services, only 40 per cent of the weapons believed to be in the hands of left-wing groups at the time of the coup have been captured. But there is no reason for thinking—as some military men in Chile seem to think—that this threat can only be countered by suppressing the legal rights of the individual. If Chile is to evolve a *civilized* authoritarian system (more of that in a moment), the first requirement is a return to legality, which will mean, in particular, a) recognition of habeas corpus, and b) recognition of the right to appeal against executive decisions.

Some steps have been taken recently to reduce the excessive autonomy of the security services. The most important of these was the publication of a new decree-law (number 1009) last May that requires the authorities to notify the family of a suspect within 48 hours of his arrest, and either to set him at liberty or hand him over to the courts—or the Ministry of Interior—within five days. This is a beginning, but scarcely more than that.

Another area of controversy is the management of the economy. You may get the feeling that the Pinochet regime is an "ad-hoc-racy" in a number of ways, hastily improvising as it stumbles along. This does not apply to the economic program, which is handled by the now-celebrated team of "Chicago boys" who started working out how to rebuild the economy almost a year before Allende was overthrown. The remarkable thing is that they have converted the military to their views on monetary policy and the free market system. Their efforts to roll back the frontiers of state intervention and to tackle the root sources of inflation are both courageous and instructive for the outside world.

Critics of the Chicago boys say they still haven't stopped inflation. Perfectly true: but the *monthly* rate for July (9.5 per cent, which certainly sounds spectacular to us) was less than a third of the monthly rate for January, and current trends suggest that it will have fallen to 5 per cent or less before the end of the year. Unemployment is terrible, they say. Perfectly true again: the current rate in greater Santiago is over 16 per cent. The government pays a *salario mínimo*, assigning men to light work on largely unnecessary public works projects (in the belief that it is less demoralizing to give men *something* to do than to leave them at home on the dole), but it is hardly enough to feed a family. Private business has suffered, and figures produced by the private industrialists' association, SOFOFA, show that the overall index of industrial production fell by more than 15 per cent over the 12 months that ended in March. In some sectors, such as construction, it fell by much more. Big textile firms like Sumar have closed down, and there is a rash of small bankruptcies.



So Milton Friedman and his disciples—in the view of superficial observers—have a good deal to answer for. But let's put the figures in context. Chile has not been the world's greatest economic success story over the past two years, but neither was Brazil for three or four years after the 1964 coup, and neither was Spain for more than two decades after Franco's victory in 1939. It takes time to rebuild. And Chile's fortunes have always been tied up with one very simple statistic: the price of copper (which provides four-fifths of its export earnings) on the world metal exchanges. The collapse of the copper price last year created an immense, and largely unpredicted, balance of payments problem for Chile. If copper reaches an average price of 70 cents next year, Chile's payments problems (in the view of Finance Minister Jorge Cauas) will be over.

Dependence on copper is Chile's natural inheritance, the indelible mark of Cain on a small underdeveloped country without the domestic market, the technology, or the resources to sustain a large manufacturing industry. To this situation was added the political legacy of Allende, who parodied the widespread assumptions that government spending is a universal panacea, that exaggerated expectations can be satisfied by printing money, and that state ownership is morally preferable to wicked private enterprise. The result was Weimar-style hyper-inflation, the highest degree of state intervention to be found anywhere outside the Communist bloc, and an Alice-in-Wonderland system of prices and wages that bore no relationship to real values—for example, a full sack of cement in Allende's Chile cost less than an *empty* sack would cost in the free market.

In the month after the coup (the period now remembered nostalgically by the economic planners as the "heroic days," the *días heroicos*), the new technocrats struck out ruthlessly to restore the sovereignty of market forces. The top priorities at this stage were a) a realistic exchange rate for the escudo, and b) the thawing-out of government-dictated price freezes, so that the market would determine relative prices and incentives to producers would be restored. The radical means that were adopted could not, in my opinion, have been applied by any government dependent on electoral support. They involved a 600 per cent devaluation of the escudo, and spectacular price increases for many basic commodities. In order to concentrate on restoring a rational relationship between prices and real values—and to plug Chile back into the world economy—the government deferred its assault on inflation: the

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cost-of-living index rose by about 83 per cent in October 1973.

The next phase, associated with Fernando Leniz' time in office as Minister of Economy (up till March this year), was a period of gradualism in which the government made progress toward some of its goals—reducing the size of the public sector, selling back state-run industries, building up a large capital market—without bringing down the overall rate of inflation. It was a period of disenchantment in many respects. Foreign investment failed to materialize; the growth rate was negligible; it was predicted that it would take at least five years, under Leniz, to get inflation down to an annual 20 to 30 per cent.

The assault on inflation was now described, in the words of Emilio Sanfuentes, as the "number one, number two, and number three priority"

What ensued was a minor revolution, a kind of coup-within-a-coup. Leniz was sacked; Jorge Cauas was made economic "superminister" as well as Minister of Finance; Milton Friedman came out to Santiago to advise on "shock treatment." The assault on inflation was now described, in the words of Emilio Sanfuentes, one of the most able of the Chicago boys, as the "number one, number two, and number three priority." The quantity of money in circulation was dramatically reduced by a machete-chop that is still bitterly disputed and that—more than any other economic measure taken—may serve to illustrate that it is no bad thing to have a strong government in an economic crisis. A large number of Chileans had been encouraged to put their money into inflation-proof bonds called *valores hipotecarios reajustables*, or VHRs. The money could be withdrawn within sixty days, and the bonds became immensely popular as people started to realize that there was no safer way of protecting the value of their cash; substantial fortunes could be made by investing and withdrawing funds at opportune moments. The bonds were managed by finance houses and loan associations, but much of the money was invested in long-term mortgages—posing the risk of financial embarrassment if people decided to withdraw their money all at once. One night in May, the government took the sneaky decision to freeze all the VHRs for a period of five years. Absolute secrecy was preserved, and many wheeler-dealers who had invested heavily in VHRs in the hope of making a quick killing before the rate of inflation started to plummet suddenly found themselves unable to withdraw their funds. There was a tremendous uproar about the whole affair, since many military men had also invested in VHRs. But the government stood firm. In one fell swoop, *it had removed from circulation about half the money in private hands*, and demonstrated its absolute determination to stop inflation.

As a result of this and less spectacular measures, there is now a visible fall in inflationary expectations in Chile. President Pinochet talked to me proudly, over breakfast in his suite in the Diego Portales building, of how the rate of interest offered by the finance houses had come down, in the space of a fortnight; from 22 per cent to 15 per cent. Perhaps the most important factor of all has been the return to sound housewifely management of the budget. The government decided last April to chop the size of the budget by 15 per cent (in escudos) or 25 per cent (in foreign currency). And it is sticking to that decision despite the predictable rearguard *jacqueries* being fought by bureaucratic vested interests. The whopping budget deficits of the Allende period are actually being transformed, this year, into a modest surplus.

So far, so good. But it all has its price. I think of the Cauas counter-inflation policy as the performance of a pilot trying to dip under a dense fog, bringing the plane closer and closer to the ground in order to regain vision—at the risk of not having enough space to pull out of his perilous dive. The so-far unstated hope of Cauas and his colleagues is clearly that, before the end of the year, they will be sufficiently in control of inflation to risk an expansion of credit in order to rescue private businesses and moderate the effects of the harsh economic recession that has now set in. It is a difficult and perilous maneuver, but not a gamble, since there is really no rational alternative to what they are trying to do apart from a reversion to the Marxist siege economy.

The reawakening of foreign interest in the Chilean market, as inflation begins to ease off, is encouraging, although the figure for foreign investment since the coup is still only $190 million. But as important as the foreign investors (among whom the conservative Arab states may shortly figure) is the creation of a new class of Chilean entrepreneurs. Easier said than done in a situation where private businessmen have been accustomed to creating their profits over lunch with a minister who can juggle a tariff or two or arrange an export credit. But the government planning agency (run by the immensely genial and original Roberto Kelly) has some exciting ideas for what might best be described as "popular capitalism," starting with the competitive deployment of pension funds and with government credits for ex-civil servants prepared to go into private businesses and cooperatives. No one pretends that it will be easy, and with so many people going short, it is hard to be optimistic about the prospects for Chile's new-style capitalism in the near future. There are men in the armed forces who are far from enthused about it. But all in all, it is a brave attempt that deserves more understanding—and active support—from what remains of the capitalist world.

Maybe Pinochet would have found it easier to win friends and influence people abroad if he had copied the Brazilians, who set about creating a collective military dictatorship after 1964 while shouting back over their shoulders that they intended to return to the party system as soon as practicable. Again, these soldiers, whose enemies tell us they are "fascists," red in tooth and claw, have suffered for their ingenuousness more than their crimes. But serious errors have been made, and the regime has become isolated from many of its original civilian supporters—and from rival currents of political thought. This poses dangers.

The group that matters in Chilean politics has narrowed enormously since September 1973. The junta began, for

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one thing, as a collective military dictatorship. Pinochet was acknowledged as *primus inter pares*, but only as a courtesy to the army, the most powerful of the armed services. Since then, of course, Pinochet has asserted his personal supremacy and has revealed a quite unexpected authority and *taste* for authority. He is not the most intellectual of the members of the junta (that distinction must be reserved for the air force's general Gustavo Leigh), but he is certainly the most forceful, and he has created a whole new apparatus to reinforce his power. Its key components are the military *Comité Asesor*, headed by General Labarca, the DINA, and the looser group of civilian advisors (the *franquistas*, as they have come to be nicknamed) among whom Jaime Guzman, the dedicated young Catholic corporatist, is preeminent.

The balance among the armed services is preserved within the cabinet, where jobs are still assigned according to a tacit quota system, but here the simmering rivalry between the navy and the army is most exposed. The navy, which was the driving force behind the coup and started out with a clear ascendancy within the government —encompassing the overall control of economic policy, plus the Ministries of Defense and Foreign Affairs—has been steadily driven back. The future of the present Foreign Minister, Admiral Patricio Carvajal, an honorable and likable man, but a singularly undynamic minister, is now in doubt. (A much doughtier figure is Admiral Arturo Troncoso, who is making a mark as Minister of Education by his system of loans for university students—on a sliding scale that varies from zero for sociology students to the full cost of education for engineers.)

But all in all, it is a brave attempt that deserves more understanding—and active support—from what remains of the capitalist world

The rivalries within the military establishment cannot be interpreted, by and large, as *policy* battles. There is skepticism about the economic program among some middle-ranking officers, but General Pinochet has given it his imprimatur, and his authority is now uncontested within the high command. Nor are there signs that the old political parties have much influence over military thinking. The Christian Democrats, for example, are often said to have important friends in the army, but many of the senior officers of my acquaintance tend to echo the views of the general who told me, with brutal simplicity, that "there are two ways to get to Moscow. One is the direct route. The other goes via Rome."

Such statements begin to suggest the huge ravine that has opened up between the junta and the old-style political leaders of Chile—with the exception of some figures from the National Party. The gulf may be dangerously wide, in the sense that the regime has become intellectually isolated and closed to criticism, and in the more specific sense that it cannot afford an all-out conflict with the Christian Democrats. The overweening influence of a tiny conventicle of civilian advisors of a *franquista* tendency that sometimes verges on the theocratic is disturbing—and yet, in the present climate, it goes almost unchallenged. People like Jaime Guzman (a brilliant young intellectual who I have known and liked since his days as a student activist in the battle against Allende) now represent, and call for, a kind of total commitment to the system and an equally total rejection of "alien" ideas that is fundamentally at odds with the *laissez-passer* traditions of Chilean society. If they had their way, they would be likely to turn Chile into an introverted, absolutist society where morality and education were determined by the state and its priestly advisors —a kind of Paraguay.

For Chile, a highly sophisticated country whose prime asset has always been the creative quality of its peoples, the pursuit of such goals reflects a very stunted ambition. And the suppression of the free interchange of ideas is equally un-Chilean. I found myself stressing repeatedly during my recent visit what for me is a basic truism: the weakness of the liberal democracies is that their leaders do not make the basic distinction between subversion (which cannot be tolerated) and dissent (which must be tolerated), but the weakness of an authoritarian society may be precisely the same—except that, this time, dissenters are hounded as subversives. The loss of a capacity for self-criticism is the beginning of social stagnation.

Chile must devise a system that will allow more liberty and creativity than the present one. It would be a tragedy if the end result of the revolution against Marxism in Chile turned out to be just another military dictatorship based purely on bayonets. Chile is living through another transitional phase, whose outcome is far from clear and will depend on many factors over which the Chileans themselves do not have control—the world price of copper, the intentions of the Cubans and the Russians, the support (or lack of it) from the United States. I am fairly confident of the junta's capacity to win through even if the international situation deteriorates further. Remember Franco's post-1945 isolation and the economic stagnation of Spain through those difficult postwar years when the UN would not acknowledge its existence: yet Franco is still there, and Spain has become a rich country. But I am less confident about the construction of a *civilized* political system in Chile unless there is an urgent reappraisal of the country's institutions and the possible models for a new constitution. However, if that reappraisal is made, it is possible that we will have a great deal to learn from the future experience of the Chileans in devising a "post-disaster system."

General Pinochet told me that he has come to see Chile's future political system as a "neo-democracy," which would appear to mean a system of representative government *without political parties*. The president would be elected. The legislature would be elected from a list of candidates selected—by an appointed caucus—on the basis of their "qualifications." How their qualifications would be determined remains unclear. It is possible that General Pinochet is inching toward a conception similar to Brian Crozier's idea of a "profession of politics" that would admit particularly distinguished men from various defined occupational categories. If this is the idea, it will clearly not appeal to Chile's civilian politicians, above all the

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Christian Democrats. Still, there is no escaping the dilemma that I stated briefly earlier: after all that has happened, with the feelings of hatred and revenge that have been generated, and with the painful process of economic reconstruction that has to be undergone, you cannot bring back the system that was destroyed just by waving a magic wand. And if you can't do that, it becomes indispensable to map out a political system (provisional or permanent) that will allow scope for public participation in decision-making and for peaceful political change in the absence of the party system.

The weakness of the liberal democracies is that their leaders do not make the basic distinction between subversion (which cannot be tolerated) and dissent (which must be tolerated)

What course is Chile likely to take now? It may be useful to sketch out half a dozen possible scenarios, in ascending order of probability. They are by no means mutually exclusive. Scenario #2 could lead on to scenario #1; scenario #6 could be wedded to scenario #5.

1. *The revolution script.* This is very hard to devise, since there is no serious military threat to the regime inside Chile—although armed leftist groups could play an important role in the event of an external attack, possibly by Peru. The Communist Party's strategy is based on stealthy penetration of the administration, the Church, the Christian Democratic Party—and the armed forces. Its long-range success, however, would appear to hinge on the demoralization of the armed forces and their voluntary withdrawal from power rather than on armed insurrection.

2. *The "Argentine" scenario.* It is always possible that the Chilean armed forces, finally convinced of their incapacity to cope with the country's economic and social problems and under intense pressure from the U.S. and the UN, will one day decide to retire to the barracks—as General Lanusse retired in Argentina in 1973, or as Ibáñez retired in Chile in 1930 (as the distinguished editor of *El Mercurio* reminded his readers in a remarkable article the other day). Such a decision could also be influenced by revulsion against the brutal techniques of a section of the security forces (as in Greece). Chilean politicians hopeful that this scenario will come to pass point to straws in the wind, like the fact that officers are more reluctant to appear in uniform in the streets now than they were in the heady days after the coup, when they were being hailed as saviors. The current state of semi-civil war in Argentina, however, has not escaped the attention of the Chilean military, and the fear that something similar might result in Chile (necessitating, in the end, a new period of military intervention) is likely to discourage them from bowing out in the near future. (The Argentine armed forces, according to my Buenos Aires informants, have a plan to assume power again for an initial period of six years.)

3. *The "U.S. Embassy" scenario* appears to be that, perhaps not long from now, a predominantly Christian Democratic cabinet might be sworn in—still within the framework of authoritarian rule, but essentially as a first step toward returning to constitutional rule. I do not consider this lik to occur, at any rate not in that way, and any efforts outsiders to flourish big sticks over the heads of the n in the Diego Portales building will make it less, rather th more, likely to happen.

4. *The "Peruvian" scenario.* Under this scenario, c tinued economic recession will finally induce the stati in the army to abandon the present experiment in marl economics and go over to a Peruvian-type economic tionalism, possibly within the framework of a corporat constitution. The regime would continue to be strong anti-Communist, but would now win the applause of ec nomic nationalists throughout the Third World—possit to the extent of getting some aid and investment fro Venezuela, Libya, etc.

5. *The new model.* It is possible (and devoutly to wished) that out of all this hardship and sacrifice, Ch will give birth to a new model of representative governme in the absence—at least for the time being—of the pa system. It is not for me to suggest, in this context, t lines that might be followed, but there are many promine men within the regime who are aware of the need to tablish a stable institutional framework and to bring abo a return to the rule of law.

6. *The "Franco" scenario.* Perhaps the likeliest develo ment of all is that Pinochet will increasingly come appear as Chile's Franco, an initially colorless soldier wl displayed unexpected political shrewdness and succeed in establishing a personal dictatorship which could lat be justified on the pragmatic grounds that it brought ec nomic prosperity and political stability. I cannot preter to be very cheerful about either this prospect in its nak form or the prospect of permanent military rule in Chil The armed forces are not a school for government.

YET THE whole tendency since September 1973 has bee toward increased, rather than diminished, military involv ment in the details of administration—with middle-rankin officers moving into state-owned corporations and the middl echelons of the civil service. (Recently Orlando Saenz, brilliant, outspoken, and *necessary* critic of the goverr ment's economic program, was sacked from his job a president of the big brewery chain, Cervecerías Unidas, an replaced by a certain Colonel Danús.) Under these ci cumstances, the taste for power is likely to become institu tionalized throughout the whole gamut of the armed force

However, I still hope that the Chileans, a lively, adven turous, and essentially *European* people, will be able to us this opportunity to do something more than consolidat another routine military dictatorship. As I drove throug the cold, shabby streets of Santiago on my eighth visit t Chile, I found myself staring hard at that grubby little tow that has not a single memorable building (apart from couple of colonial churches) and asking myself: Why doe this country matter so much to me? Isn't it just anothe small, developing, Third World country that is going to en up with a political system no better or worse than all th rest? The answer came back at once: Chile is not lik that at all, because of the vivacity of its people and thei receptiveness to new ideas. There is a stamina and capacity for invention there that I still believe will carr Chile through its present troubles and into a better era. □

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F.B.I. Agents Investigating Letelier Killing Get Tip High

Chilean Secret Policeman Flew to U.S. Last Month

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By DAVID BINDER
Special to The New York Times

WASHINGTON, Sept. 22—The Federal Bureau of Investigation said today it was pursuing "a lot of leads" in the bomb killing here yesterday of Orlando Letelier, the former Chilean Foreign Minister, and a woman assistant.

A bureau spokesman, Joseph E. Dowling, said there were no suspects. He added that it was too early to say precisely how the bomb had been detonated after it was attached to the bottom of the Letelier car—whether by a timing device or by remote control.

Michael Moffitt, whose wife, Ronni, died from wounds sustained in the blast, said he had heard "a buzzing" just before the explosion.

The Moffitts were riding with Mr. Letelier in his car to their downtown offices at the Institute for Policy Studies when the bomb went off in heavily traveled Sheridan Circle.

Mr. Dowling said the F.B.I. was reconstructing the death car and fragments of the bomb, but would not be able to complete its examination "for a couple of days."

Nearly everyone associated with Mr. Letelier in his political exile has attributed the bombing to the Chilean military leadership that overthrew the elected Marxist Government of President Salvador Allende Gossens in September 1973.

Mr. Letelier, who served the Allende Government first as Ambassador to the United States, then as Foreign Minister and finally, in the last days, as Defense Minister, was imprisoned for nearly a year by the Chilean junta. He was released on the intervention of the Venezuelan authorities and Secretary of State Henry A. Kissinger and came to the United States late in 1974.

Associates of Mr. Letelier and the Moffitts said today that they believed the bomb could have been attached to his car on Monday, when it was parked for a long time on a downtown lot next to the Institute for Policy Studies. This left open the question of whether the bomb was set off by remote control or by a time device.

New York Lead Is Investigated

Mr. Letelier had lent his car to the Moffitts Monday night when their own vehicle broke down, and they picked him up at 9 A.M. yesterday at his suburban home, about 35 minutes before the explosion.

Among the leads under investigation, the F.B.I. said, is a tip from a Chilean that he recognized a Chilean secret policeman who disembarked from an airliner that arrived Aug. 25 in New York from Santiago.

The tip was passed first to William L. Wipfler, a director of the National Council of Churches in New York, a few hours after the bomb blast.

In a telephone interview, Mr. Wipfler said the Chilean source had identified a high-ranking officer of DINA, the Chilean secret police, aboard a New York-bound Lufthansa flight, and noted he was accompanied by a woman and four men.

Mr. Wipfler passed the information to Representative Donald M. Fraser, Democrat of Minnesota, whose office informed the Justice Department. When Mr. Fraser learned today that Mr. Wipfler had not yet been called on by the F.B.I., he made public the tip to indicate his disappointment with the investigation.

An F.B.I. spokesman called The Times late today to say that his office had attempted since yesterday afternoon to get in touch with Mr. Wipfler, but had been unable to find him.

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